

AMENDED IN ASSEMBLY JANUARY 7, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 873

Introduced by Assembly Member Davis

February 22, 2007

An act to ~~add Section 7945 to amend Sections 8281, 8283, 8284, and 8285 of the Public Utilities Code, relating to telecommunications public utilities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 873, as amended, Davis. ~~Telecommunications: technology specific area codes.~~ *Public utilities: procurement.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, water, and telephone corporations. Existing law authorizes the commission to establish rules for all public utilities, subject to control by the Legislature. Existing law directs the commission to require every electrical, gas, and telephone corporation with annual gross revenues exceeding \$25,000,000, and their regulated subsidiaries and affiliates, to implement a program developed by the commission to encourage, recruit, and utilize minority-, women-, and disabled veteran-owned business enterprises, as defined, in the procurement of contracts from those corporations or from their regulated subsidiaries and affiliates, and to require the reporting of certain information. The commission has, by rulemaking, adopted General Order 156, applicable to certain electrical, gas, and telephone corporations, to effectuate these requirements.

This bill would extend the minority-, women-, and disabled veteran-owned business enterprises procurement requirements to water

corporations with 10,000 or more service connections and would encourage each electrical, gas, water, and telephone corporation that is not required to submit a plan to voluntarily adopt a plan for increasing women, minority, and disabled veteran business enterprise procurement in all categories. Because a violation of certain of the requirements by an electrical, gas, or telephone corporation is a crime, this bill would impose a state-mandated local program by expanding the definition of a crime to include violations by a water corporation with 10,000 or more service connections.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law requires the Federal Communications Commission (FCC) to create or designate one or more impartial entities to administer telecommunications numbering and to make numbers available on an equitable basis for telecommunications carriers, as defined. Existing law provides that the FCC has exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States, but provides that these provisions do not preclude the FCC from delegating to state utility regulatory commissions or other entities all or any portion of the FCC's jurisdiction.~~

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law places notice and other requirements upon telephone corporations whenever the telephone corporation proposes to establish a new area code. Existing law requires the commission to first implement all reasonable telephone number conservation measures before approving an area code split.~~

~~This bill would require the commission, by January 15, 2008, to request the FCC to delegate authority to the commission, pursuant to the above-described law, to implement technology specific area codes in order to reduce the need to split area codes for voice telecommunications.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 8281 of the Public Utilities Code is*
2 *amended to read:*

3 8281. (a) The Legislature hereby finds and declares that the
4 essence of the American economic system of private enterprise is
5 free competition. Only through full and free competition can free
6 markets, reasonable and just prices, free entry into business, and
7 opportunities for the expression and growth of personal initiative
8 and individual judgment be assured. The preservation and
9 expansion of that competition is basic to the economic well-being
10 of this state and that well-being cannot be realized unless the actual
11 and potential capacity of women, minority, and disabled veteran
12 business enterprises is encouraged and developed. Therefore, it is
13 the declared policy of the state to aid the interests of women,
14 minority, and disabled veteran business enterprises in order to
15 preserve reasonable and just prices and a free competitive
16 enterprise, to ensure that a fair proportion of the total purchases
17 and contracts or subcontracts for commodities, supplies,
18 technology, property, and services for regulated *public* utilities are
19 awarded to women, minority, and disabled veteran business
20 enterprises, and to maintain and strengthen the overall economy
21 of the state.

22 (b) (1) The Legislature finds all of the following:

23 (A) The opportunity for full participation in our free enterprise
24 system by women, minority, and disabled veteran business
25 enterprises is essential if this state is to attain social and economic
26 equality for those businesses and improve the functioning of the
27 state economy.

28 (B) Public agencies which have established short- and
29 long-range women, minority, and disabled veteran business
30 enterprise goals are awarding 30 percent or more of their contracts
31 to these business enterprises.

32 (C) Women, minority, and disabled veteran business enterprises
33 have traditionally received less than a proportionate share of
34 regulated public utility procurement contracts.

35 (D) It is in the state's interest to expeditiously improve the
36 economically disadvantaged position of women, minority, and
37 disabled veteran business enterprises.

(E) The position of these businesses can be improved by providing long-range substantial goals for procurement by regulated public utilities of technology, equipment, supplies, services, materials, and construction work from women, minority, and disabled veteran businesses.

(F) That procurement also benefits the *regulated* public utilities and consumers of the state by encouraging the expansion of the number of suppliers for procurements, thereby encouraging competition among the suppliers and promoting economic efficiency in the process.

(2) It is the purpose of this article to do all of the following:

(A) Encourage greater economic opportunity for women, minority, and disabled veteran business enterprises.

(B) Promote competition among regulated public utility suppliers in order to enhance economic efficiency in the procurement of electrical, gas, *water*, and telephone corporation contracts and contracts of their commission-regulated subsidiaries and affiliates.

(C) Clarify and expand the program for the procurement by regulated public utilities of technology, equipment, supplies, services, materials, and construction work from women, minority, and disabled veteran business enterprises.

SEC. 2. Section 8283 of the Public Utilities Code is amended to read:

8283. (a) The commission shall require each electrical, gas, and telephone corporation with gross annual revenues exceeding twenty-five million dollars (\$25,000,000), *each water corporation with 10,000 or more service connections*, and their commission-regulated subsidiaries and affiliates, to submit annually, a detailed and verifiable plan for increasing women, minority, and disabled veteran business enterprise procurement in all categories.

(b) These annual plans shall include short- and long-term goals and timetables, but not quotas, and shall include methods for encouraging both prime contractors and grantees to engage women, minority, and disabled veteran business enterprises in subcontracts in all categories which provide subcontracting opportunities.

(c) The commission shall establish guidelines for all electrical, gas, and telephone corporations with gross annual revenues exceeding twenty-five million dollars (\$25,000,000), *all water*

1 *corporations with 10,000 or more service connections*, and their
2 commission-regulated subsidiaries and affiliates, to be utilized in
3 establishing programs pursuant to this article.

4 (d) ~~Every~~*Each* electrical, gas, and telephone corporation with
5 gross annual revenues exceeding twenty-five million dollars
6 (\$25,000,000) *and each water corporation with 10,000 or more*
7 *service connections* shall furnish an annual report to the
8 commission regarding the implementation of programs established
9 pursuant to this article in a form that the commission shall require,
10 and at the time that the commission shall annually designate.

11 (e) The commission shall provide a report to the Legislature on
12 September 1 of each year, on the progress of activities undertaken
13 by each electrical, gas, and telephone corporation with gross annual
14 revenues exceeding twenty-five million dollars (\$25,000,000), *and*
15 *all water corporations with 10,000 or more service connections*,
16 pursuant to this article in the implementation of women, minority,
17 and disabled veterans business enterprise development programs.
18 The commission shall recommend a program for carrying out the
19 policy declared in this article, together with recommendations for
20 legislation that it deems necessary or desirable to further that
21 policy.

22 (f) *The Legislature declares that each electrical, gas, water,*
23 *and telephone corporation that is not required to submit a plan*
24 *pursuant to subdivision (a) is encouraged to voluntarily adopt a*
25 *plan for increasing women, minority, and disabled veteran business*
26 *enterprise procurement in all categories.*

27 *SEC. 3. Section 8284 of the Public Utilities Code is amended*
28 *to read:*

29 8284. (a) The commission shall, by rule or order, adopt criteria
30 for verifying and determining the eligibility of women, minority,
31 and disabled veteran business enterprises for procurement contracts.

32 (b) The commission shall develop, and require ~~every~~ *each*
33 electrical, gas, and telephone corporation with gross annual
34 revenues exceeding twenty-five million dollars (\$25,000,000),
35 *each water corporations with 10,000 or more service connections*,
36 and their commission-regulated subsidiaries and affiliates to
37 implement, an outreach program to inform and recruit women,
38 minority, and disabled veteran business enterprises to apply for
39 procurement contracts under this article.

1 *SEC. 4. Section 8285 of the Public Utilities Code is amended*
2 *to read:*

3 8285. Any person or corporation, through its directors, officers,
4 or agents, which falsely represents a business as a women,
5 minority, or disabled veteran business enterprise in the procurement
6 of, or attempt to procure, contracts from an electrical, gas, or
7 telephone corporation with gross annual revenues exceeding
8 twenty-five million dollars (\$25,000,000), a water corporation
9 with 10,000 or more service connections, or a
10 commission-regulated subsidiary or affiliate subject to this article,
11 shall be punished by a fine of not more than five thousand dollars
12 (\$5,000), by imprisonment in a county jail for not more than one
13 year or in the state prison, or by both that fine and imprisonment.
14 In the case of a corporation, the fine or imprisonment, or both,
15 shall be imposed on ~~every~~ *each* director, officer, or agent
16 responsible for the false statements.

17 *SEC. 5. No reimbursement is required by this act pursuant to*
18 *Section 6 of Article XIII B of the California Constitution because*
19 *the only costs that may be incurred by a local agency or school*
20 *district will be incurred because this act creates a new crime or*
21 *infraction, eliminates a crime or infraction, or changes the penalty*
22 *for a crime or infraction, within the meaning of Section 17556 of*
23 *the Government Code, or changes the definition of a crime within*
24 *the meaning of Section 6 of Article XIII B of the California*
25 *Constitution.*

26 ~~SECTION 1. Section 7945 is added to the Public Utilities Code,~~
27 ~~to read:~~

28 ~~7945. On or before January 15, 2008, the commission shall~~
29 ~~request the Federal Communications Commission to delegate~~
30 ~~authority to the commission pursuant to paragraph (1) of subsection~~
31 ~~(c) of Section 251 of Title 47 of the United States Code, to~~
32 ~~implement technology specific area codes in order to reduce the~~
33 ~~need to split area codes for voice telecommunication.~~